



Financial Management Policies and Procedures

Central Fulton Street District Management Association, Inc.

The Central Fulton Street District Management Association, Inc. (FAB Alliance) is determined to establish and maintain sound fiscal and financial procedures consistent with not-for-profit corporations and in accordance with generally accepted accounting principles. The BID will comply with city, state and federal government reporting requirements and all applicable government regulations in accordance with its Contract with the City of New York.

In accordance with standard operating procedure, the Board of Directors of the BID shall establish all financial and fiscal policies, consulting with the Executive Director and the Treasurer. The Board may, pursuant to its Bylaws, or by action of the Executive Committee, delegate these responsibilities to individual Officers or Director or Committees made up of Officers and/or Directors.

The Manager has responsibility for the carrying out of the financial management of the corporation subject to the control of the Executive Committee and the Board of Directors. The Manager will report to the Executive Committee on actual expenditures on a quarterly basis.

The Executive Committee will review and approve the Annual Budget and recommend policies and procedures to the Board of Directors as appropriate.

Annual Budget

The Manager and the Finance Committee shall present a proposed budget for each fiscal year, July 1 through June 30, to the Executive Committee no later than May 1st. Each budget shall be detailed and shall contain anticipated revenues and expenses for the coming year along with a description for proposed activities and sources of revenue. After review and comment by the Executive committee, the proposed budget shall be submitted to the Board of Directors of the Business Improvement District for their review, comments and approval prior to its presentation at the Annual Meeting.

Budget Modifications

Budget modifications from one service category to another (e.g. from sanitation to security) within a given fiscal year must be approved by the Executive Committee. In the operation of the corporation, any budgetary excesses discovered by the Manager should be promptly reported to the Executive Committee. Within each category, line items may be increased or decreased at the discretion of the Manager, who should communicate any changes to the Executive Committee Chair and Treasurer.

Amounts budgeted and not spent within the current fiscal year will be carried over into the following fiscal year in accordance with general accounting principles.

Financial/Fiscal Procedures

All expenditures must be approved by the Manager and must be supported by appropriate documentation. The Manager is the sole employee of the Corporation with the ability to sign checks and is responsible for the payment of bills. All checks, transfers and wires shall require the signature of two of three signatories on the bank account as determined by the Executive Committee: currently the FAB Alliance Manager, Board President and Board Treasurer.

Payments

All Payments: No payments, other than the regular payroll, shall be made without an invoice approved by the Manager and one member of the Executive Committee as determined by the Committee. Whenever possible, checks should not be written and signed by the same individual. Checks or transactions require two authorized signatures (Appendix A).

Whenever there is a question regarding the appropriateness of an expenditure, the Executive Committee Chair or Treasurer should be consulted.

Debit Card: A debit card linked to the FAB Alliance bank account will be issued to the Manager for the purposes of making necessary purchases in amounts not to exceed \$500 per transaction. All expenditures must be approved by the Manager and must be supported by appropriate documentation.

Reimbursement for Expenses: Staff, Officers, Directors and Volunteers may be reimbursed for such expenses as shall have been approved by the Manager and a member of the Executive Committee or two members of the Executive Committee as determined by the Committee. All expenses of employees must receive prior approval from the Manager. Prior to being submitted for reimbursement, the expenses of the Manager must receive written approval of the President of the Board or Chair of the Executive Committee.

Payroll: The payroll shall be handled by an outside payroll company upon information provided by the Manager. The Manager shall be responsible for handing out the checks after verifying the payroll reports. The Treasurer shall have online viewing access (if available) to the payroll account for purposes of independent verification of payroll expenses.

Contracts: All contracts and service agreements shall be governed by the Procurement Procedures adopted by the Board of Directors on May 13, 2010.

Leases: All leases of real property shall be approved by the Board of Directors or its Executive Committee and signed by the Manager and the President of the Board of Directors. Prior to the execution of any lease, the Manager shall verify that the landlord has paid all real estate taxes and other City charges for the subject property or has entered into an agreement for payment with the City's Department of Finance. The Manager shall submit evidence to that effect to the Department of Small Business Services.

Financial Reports: Financial reports shall include the monthly budget, year to date figures, and prior year figures. The Manager shall provide reports to the Executive Committee on a quarterly basis. The Chair of the Executive Committee shall have access to bank statements for purposes of independent verification of transactions and balances.

Audits: The Corporation shall contract with an independent certified or public accounting firm for an annual audit, to be completed within four months of the end of the fiscal year. The report must be presented to and approved by the Executive Committee and ratified by the Board of Directors. The Report shall show assets, liabilities, and changes in equity since the previous fiscal year, revenues and expenses and other information that the auditor shall deem appropriate in accordance with generally accepted accounting principles. The corporation shall comply with Article 5 of its Contract with the City of New York pertaining to Auditing requirements.

Authorized Signatures as of 05/13/2010:

- Wellington Sharpe, President
- Jason Richelson, Treasurer
- Phillip Kellogg, Manager

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